THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI BRAHM DUTT): (a) to (c) Import of sugar and edible oil is made to meet the gap between domestic demand and production. Since India is a major importer of both these commodities, it would not be in commercial interest to disclose their import plans.

Criteria For Extending Credit to Industrial Units by Nationalised Banks

1873. DR. R. K. PODDAR: Will the Minister of FINANCE be pleased to state:

(a) what are the criteria for extending credit to industrial units by nationalised banks;

(b) whether there is any different criteria for large, medium and small scale units; if so, what are the details thereof; and

(c) what is the procedure for recovering credit from large, medium and small scale units?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) All commercial banks, including the nationalised banks extend working capital finance and term loans to industrial units, on the basis of lending norms prescribed by Reserve Bank of India. With a view to closely supervising credit extended by banks to larger borrowers, it introduced in 1965 the Credit Authorisation Scheme (CAS) under which proposals for working capital limits for Rs. 1 crore and above for industrial and trading concerns were required to be referred to it for prior authorisation. In August and September, 1975 based on the Report of the Tandon Committee, detailed instructions applicable to all borrowers with working capital facilities of Rs. 10 lakhs and above were issued to banks on inventory/receivables norms which they were expected to follow for working out the working capital limits. The cut off point for advances requiring the Reserve Bank of India's prior authorisation has been revised from time to time. The cut off point for advances at present is Rs. 6 crores in the case of non-exporter borrowers and Rs. 7 crores in the case of exporter borrowers.

Under the guidelines issued by Reserve Bank, special consideration has to be given by banks to the credit needs of the priority sector borrowers which include small scale industrial units. While considering credit proposals, the banks have to be guided largely by the viability of projects, applicants skills/experience, integrity and ability to organise activity or business and not merely by the tangible securities which the borrowers can provide.

(c) So far as working capital limits are concerned, they are normally sanctioned for a specified period, at the end of which a review is made for considering whether the facilities are to be continued at same level or at a reduced/enhanced level. So far as term loans are concerned, number and amount of instalments as also period over which they are to be repaid are fixed at the time of sanction of these loans. Term loans sanctioned to small scale units are normally repayable between three to seven years. If any industrial unit faces problems in adhering to repayment schedule, lending bank reviews the position and if considered necessary, it suitably reschedules instalments.

Construction of 5-Star Hotels on the Eve of Asiad'82

1874. SHRIMATI KANAK MUKHERJEE: Will the Minister of TOURISM be pleased to state:

(a) how many ITDC 5 Star hotels were planned to be constructed on the eve of the Asiad'82 and at what cost;

(b) the total expenditure incurred on each hotel;